THE DEPUTY CHAIRMAN: As soon as we finish the Foreign Exchange Conservation (Travel) Tax Abolition Bill, 1992, we will take up special mentions. Meanwhile you go and have four food and come back.

DR. YELAMANCHILI SIVAJI: Complete the Bill early.

THE DEPUTY CHAIRMAN: One hour, one hour only. . .(*Interruptions*). Yes, we will pass the second Bill also. We will pass the second Bill, the third Bill, everything today. Till everything is not over, we will not leave.

SHRI GURUDAS DAS GUPTA (West Bengal): What is the Bill you are taking up?

THE DEPUTY CHAIRMAN: Have I to repeat again? Why were you not listening? I am not going to repeat. Now, we take up the Foreign Exchange Conservation (Travel) Tax Abolition, Bill, 1992. Shri Rameshwar Thakur.

THE FOREIGN EXCHANGE CONSERVATION (TRAVEL) TAX ABOLITION, BILL, 1992.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): Madam, I move:

That the Bill further to amend the Finance Act, 1987, as passed by the Lok Sabha, be taken into consideration.

With a view to conserve foreign exchange and discourage foreign travel, the Foreign Exchange Conservation (Travel) Tax at the rate of 15 per cent was introduced through the Finance Act, 1987 and it came into force with effect from the 15 October 1987. The Tax was applicable to foreign exchange releages for all types of travel abroad except travel in connection with medical treatment, higher studies and pilgrimages.

Government have been receiving representations from time to time for the abolition/exemption from the said Tax in respect of foreign exchange releases for travel abroad under various Schemes like Returning Indians Foreign Exchange Entitlement Scheme, Foreign Travel Scheme as also foreign visits for export promotion etc. With the introduction of the Liberalised Exchange Rate Management System/partial convertibility of Indian Rupee, the foreign exchange for travel abroad is now required to be obtained at the market rate. The levy of 15 per cent tax on foreign exchange obtained at market rate makes the effective cost of the foreign exchange so obtained quite high.

It was, therefore, considered necessary in the general public interest and in line with the new economic policies of the Government to abolish the levy of 15 per cent on foreign exchange releases for all types of travel with effect from 1 June 1992. As the Parliament was not in Session, the President promulgated the Foreign Exchange Conservation (Travel) Tax Abolition Ordinance 1992. Now the Foreign Exchange Conservations (Travel) Tax Abolition Bill 1992 is to replace the said Ordinance.

Madam, The Foreign Exchange Conservation (Travel) Tax Abolition Bill 1992 has already been considered and passed by the Lok Sabha.

[THE VICE-CHAIRMAN (SHRI M. A. BABY) in the chair]

Sir, I now move that the Foreign Exchange Conservation (Travel) Tax Bill 1992 may please be taken up for consideration by the august House.

The question was proposed.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Mathur Sahib, are you speaking on this?

SHRI JAGDISH PRASAD MATHUR (Uttar Pradesh): On the first one?

THE VICE-CHAIRMAN (SHRI M. A. BABY): Yes. Who is to speak from your party?

श्री जगदीश प्रसाद माथुर : कोई बोल नहीं रहा ?

THE VICE-CHAIRMAN (SHRI M. A. BABY): Are you supporting it without discussion?

श्री जगदीश प्रसाद माथुर : यह तो बिल ऐसा है जिस पर कि सब को समर्थन करना चाहिए। इसी सदन में यह आवाज उठी थी कि जब पैसा लौटाते हैं तो कटौती होती है। तो इसका विरोध करने का कोई कारण नहीं है। मेम्बर्स ने, हम लोगों ने इसकी खुद ही मांग की थी।

श्री रामेश्वर ठाकुर: इसलिए मैं प्रस्ताव करता हूं कि यह सर्वसम्मति से पास कर दिया जाए।

श्री जगदीश प्रसाद माथुर : नहीं-नहीं, आप तो दूसरा ला रहे हैं। ... **(व्यवधान)** यह दूसरा बिल है।

श्री रामेश्वर ठाकुर : नहीं, अभी मैं पहले ही वाला लाया हूं।

श्री जगदीश प्रसाद माथुर : पहले का क्या सवाल है।

DR. YELAMANCHILI SIVAJI (Andhra Pradesh): As far as the conservation of foreign exchange is concerned, the Government is coming out with many proposals and day in and day out the hon. Minister is talking much about it. He also adds that our balance of payments position is comfortable. I am sorry to state that our balance of payments position is comfortable because we have reduced our imports and we have not enhanced our exports. There is a lack of coordination between the Commerce Ministry and the Finance Ministry. The Finance Ministry says one thing and the Commerce Ministry says exactly the opposite. The Prime Minister's office is not in a position to coordinate between one Ministry and the other Ministry. A lot of agro-exports are hampered for want of coordination between the Finance Ministry and the Commerce Ministry. We released about Rs. 856 crores as a technical credit to the Russian Republics for our exports but for want of money, the exports could not be shipped. The Finance Ministry says that there is no money to be released. As a result there are no imports from the Russian Republics. Unless some crude is imported from the Russian Republics, we cannot ship our exports. As a result of this our agro-exports like tobacco, cashew-nuts, cardamoms, spices, tea, coffee, etc., are being hampered. You are aware that an agitation took place among the tobacco-growers. An all-party delegation met the Prime Minister. The Prime Minister assured that the export of tobacco to the Russian Republics will be continued. But the protocol was for 25,000 metric tons. But so far money was made available to the Russian Republics for only 9,600 metric tons. Thereby the remaining quantity of more than 10,000 metric tons...

SHRI VITHALBHAI M. PATEL (Gujarat): Dr. Sivaji, the Commerce Minister had assured this House that they are prepared to release more funds to the Russian Republics to enable them to purchase tobacco.

DR. YELAMANCHILI SIVAJI: But it has not yet been implemented. ... (*Interruptions*)...I do not know whether Dr. Manmohan Singh came in the way or Mr. Thakur came in the way.

SHRI RAMESHWAR THAKUR: No.

SHRI YASHWANT SINHA (Bihar): The Member knows more than what the Government knows.

SHRI VITHALBHAI M. PATEL: The Commerce Minister had committed in this House that he would provide more funds to the Russian Republics to enable them to purchase the tobacco.

DR. YELAMANCHILI SIVAJI: The Commerce Minister had committed several times, umpteen times both inside the House as well as outside the House but precious little has been done to implement it. There is a lack of co-ordination between the Ministry of Finance and the Ministry of Commerce. I pursued the matter with the Ministry of Finance regularly. But the people in the Ministry of Finance said that they are not implementing it for want of funds. A representative from the Ministry of Finance happens to be a member of the Tobacco Board. The Tobacco Board is also helpless. We all witnessed the agitation at Guntur. Neither the present Commerce Minister nor the then Commerce Minister, Mr. Chidambaram, could do anything to solve the problem.

SHRI VITHALBHAI M. PATEL: The Commerce Minister had committed in this House to provide more funds. Now the Russian Republics have to ask for providing more funds to purchase the tobacco. That is the only thing, I want to tell you . . . (*Interruptions*) . . . When I had raised this issue in this House, the Commerce Minister had made a commitment in this House. I am only giving you the information.

DR. YELAMANCHILI SIVAJI: So, there is a lack of coordination not only between the Finance Ministry and the Commerce Ministry but among the Treasury Benches also. The Member says something and the Minister keeps mum and ultimately the exports are humpered.

Sir, as far as the foreign exchange position is concerned, whether it is export-processing zones or the cent per cent export process units, the outflow of foreign exchange is much more when compared to the inflow. I calculated the figures of exporting units like Maruti Udyog Limited, Pepsi and some other units wherein the outflow of foreign exchange is more. Even in the export processing zones, the outflow of foreign exchange is more. The Government is not serious enough to plug the loophole. I fail to understand the wisdom of the Government to come out with an Ordinance. May I know from the Minister what compelled the Government to come out with an Ordinance first and then go in for a Bill? The normal procedure in respect of a small Bill is, the Government should come forward with a legislation. Since there was no Emergency, there was no justification for the Government to issue an Ordinance. Only in Emergency conditions, Ordinances are issued. I am sure that most of the parties in the House are not opposing the Bill...

1 P.M.

Then, what compelled the Government to go in for an ordinance? It is not at all warranted that the Government should go in for ordinances in such things.

For a comfortable balance of payments position, several things are to be done. Ports are to be strengthened; loading facilities are to be strengthened; communications are to be strengthened; and the certifying agencies, like the one giving the Agmark, are to be foolproof. Unfortunately, our certifying agencies do not find any value in the international nal market. Certification isued like the Agmark are not found to be correct in the international market and because of that our exports went down. Several times, we exported tobacco or cotton which was of inferior stuff and thereby we lost the market in the international arena. So, I would like to suggest that the Finance Minister should take these things into account and see that proper quality control measures are implemented as far as exports are concerned.

Also, there is a lack of consistency in our export procedures, export policy. No doubt, Mr. Chidambaram, as the Commerce Minister, come out with a new export policy, the New EXIM Policy, but several loopholes are there in that policy also. To be in tune with the new export policy, the other departments are also to be geared up. Unless these measures are taken, I am afraid we are not going to be benefited by such export policies or amendments to the existing Act. I would like to advise the Government to augment our exports. We are

[Dr. Yelamanchili Sivaji]

not in a position to export our engineering goods. We are not in a position to export our value-added products. We are still depending on our agricultural products as far as our balance of payments position is concerned. At least to augment the export of agricultural products is the need of the hour to see that we compete in the international arena so that we can fill up the gap as far as the balance of payments position is concerned. Thank you.

SHRI JOHN F. FERNANDES (Goa): Thank you, Mr. Vice-Chairman. I rise to support the Bill. This Bill has a negative provision, that is, to abolish the tax on travels abroad. Though this is a very, very brief and small Bill, I took interest to speak on this Bill because I have been championing this cause in this House. I raised this question about two years back. Again, in my speech on the demand for finance. I recommended that this tax should be abolished. If Government wants to collect some tax, the tax should be linked to the airfare and not to the foreign exchange. The main problem with this tax on travels abroad was that it would inflate the rate of the dollar in the black market by 15 per cent and a result, the tourist the foreign national visiting our country would not encash the dollar across the counter but would sell it in the back market. That gave room for the growth of that market. By doing away with this tax, I do not think the Government will lose any foreign exchange. The Government may lose a few lakhs of rupees, but would gain crores of rupees in foreign exchange, in hard currency. I really compliment the Minister for this. Though our economy was not sound, at the moment, it is recovering. We have to congratulate the Finance Minister on the hat-trick performance. Last year, the inflation rate in this country was in two digits, 16 per cent. And, within one year, it is brought down to 9.3 per cent. It is not a small achievement for a developing country like ours. Our economy was in the doldrums. Because of the various measures taken by the Government, specially the Finance Minister, I feel that we were able to salvage the economy.

Sir, I would like to give some suggestions to the Finance Minister so that the foreign exchange can be conserved and we can get more and more hard currency in foreign exchange. Sir, as we know, when the NRIs come to the airports, they have to pay their customs duty. It is not insisted that they should pay the customs duty in foreign exchange. When they come from abroad after two years or three years, whatever may be the period, they do not come with rupees. They do not get rupees abroad unless they buy the same in black market, unless they buy *hundis* or unless they buy them in benami transactions. My suggestion to the hon. Minister is that when the NRIs land at the Customs office and when they are made to pay customs duty on personal effects or other items which they import, it should seen that they pay customs duty in foreign exchange. Otherwise, when they arrive from abroad, we see that there are touts inside the customs enclosure. They may be porters, they may be customs officers or they may be police officers. They solicit to buy the foreign exchange right in the customs enclosure. I would request the hon. Minister to see that this duty is collected from NRIs only in foreign exchange, in hard currency. It may be converted at the bank rate within the enclosure itself. With these few words, I compliment the hon. Minister for doing away with this tax.

My second suggestion is that whenever some officials or Members of Parliament travel abroad, they are paid in foreign exchange. But we are made to bring our foreign exchange back and surrender the same at the bank because we don't have the NRIs' status. So, we cannot keep the foreign exchange. This will only give encouragement to sell these dollars at the black market rate abroad. If we go abroad, especially in any Gulf market, you see people sitting

at the market place with Indian currency and buying dollars at a high premium. In order to plug this loophole, I would request the Minister that wherever foreign currency is earned not only by NRIs but by any person, he may be a Member of Parliament, he may be an officer, they should be permitted to retain this foreign exchange in banks so that they can use it in future whenever they travel abroad or for any other purpose. I earnestly hope the Minister will reconsider this matter. I compliment the Minister for bringing forward this Bill. This will not only do away with some tax, it will bring in more and more income to the Government in foreign exchange. Thank you.

SHRI SUKOMAL SEN (West Bengal): Sir, I rise to support this Bill because this taxation of foreign exchange was unnecessary. We have been demanding its abolition for a long time as it was causing hardship to those Indians who go abroad. In this connection, I would like to make a few points. Now, the people who go abroad, whether they are MPs or other Indian citizens,, they have to purchase dollars at a rate which is normally higher than the official rate because foreign exchange is sold in the country at two rates. One is official rate and the other is market rate. The market rate is always higher than the official rate. So the Government should see to it that anybody, whether he is a Member of Parliament or any citizen going abroad, gets the foreign exchange at the official rate so that the unofficial rate, which you call the market rate, does not affect him. It actually breeds corruption. It gives rise to black marketing in the foreign exchange transaction. That is why I would request the hon. Minister to kindly consider this.

Another point in this connection is that any Indian who is going abroad and coming back, can carry foreign goods worth Rs. 2,000. Now, Rs. 2,000 is a very petty amount not only in our country but in other countries also with which something can be bought abroad and brought into this country. What is the result? The people who go abroad and buy something are encouraged to hide it because of a wrong decision of the Government. The Government is encourging smuggling by many honest persons who otherwise do not intend to smuggle these articles. So this amount of Rs. 2,000 should be made Rs. 5,000. Otherwise, nothing can be bouhgt in a foreign country with Rs. 2,000. Even if we want to purchase some toys, some ordinary garments, they cost more. I am not talking about the electronic goods. Even non-electronic goods are very costly. Now some increase should be there in that amount; otherwise, the Government, by its own decision will encourage the smuggling.

Then, Sir, I do not know what the Government has gained by this partial convertibility of rupee, whether it has at all helped the export or whether it has at all helped the Government in earning foreign exchange. What is the balance of payments position now? Has it really increased? If it has really increased, I would like to know to what extent it has increased and to what extent this partial convertibility of rupee is responsible for this increase in the balance of payments position. That is the claim made here. And what does the Government claim? That the foreign exchange reserves have increased. That is not by earning foreign exchange. That is because of the money taken on loan from the IMF. That has given the Government, what they say, the comfortable reserves in foreign exchange. But by earning, they have not earned anything. What I would like to know in this connection is, by partial convertibility of rupee and by devaluation of rupee whether the balance of payments position has improved and whether the export has increased rather than import. But from whatever we read in the newspapers, from whatever figures we get, it is clear that the Government, by these two measures,—partial convertibility of rupee and devaluation of rupee—has not been able to boost any export. If there is any increase, it is only marginal. To what extent they have been able to increase it

[Shri Sukomal Sen]

and to what extent they have been able to earn more money, I will be glad if the Finance Minister could enlighten us on this. With these words, I support this Bill. Thank you.

SHRI PRAKASH YASHWANT AMBEDKAR (Nominated): Mr. Vice-Chairman, I rise to support the Bill, but at the same time I would like the hon. Minister to answer a few points. To bring about a change in the FERA, the Government has appointed a three-member Committee, two from the Finance Ministry and one from the Reserve Bank. It has been appointed to suggest the change to be made in the FERA. I would like to know whether the work has been completed, what suggestions they have made and if the report is available, whether the Minister would like to place that report on the Table of the House.

I come back to the next most important issue and that is regarding the students. With the partial convertibility those who get the scholarship schemes, their educational facilities are taken care of by the Government, but those who go on behalf of the institutions for study abroad are paid in Indian currency. And when they are paid in Indian currency, they are made to buy the foreign exchange in the market at a higher rate. It was assured by the Finance Ministry that they would look into the matter and sort it out in time. This assurance was given some time in January, 1991 but even today those students who go on the scholarships, on the sponsorship given by the institutions are facing this difficulty. In actual value the foreign exchange that they get is deflated. I would like to know from the hon. Minister whether he is going to look into it and come out with clear-cut policies of helping out these students studying abroad.

Thirdly, about the partial convertibility which was brought out. One of the major aspects was the cash based pension funds. May I know from the Minister whether the investment was supposed to be the capital market? From the first of March, 1992 till this scam came into open in the capital market, what was the flow from these pension funds which were there when they were brought into the capital market of India? There was a petition in the Supreme Court filed by Mr. A. Chimanlal Muzumdar regarding some persons stating that they had violated the FERA Act and they had got accounts in some of the foreign banks. He had offered some of the names and he had given some code numbers also. The Supreme Court declined to interfere in the matter saying that there is a proper authority to investigate that matter. Later on I was told that Mr. Chimanlal had approached the proper authority giving all the account numbers as well as the names of the persons who had accounts there. May I know from the hon. Minister whether they have been investigated? If they have been investigated, has the Department found anything? And, if anything has come out, what are the names of those persons who have been investigated and what has exactly been found out? He had done it on oath and nobody had come forward to deny whatever was stated in the application. May I know from the hon. Finance Minister whether he has investigated the whole matter and whether the Department has gone into it? And if it has gone into it whatever information the Minister has, will be divulge it in the House? Will he take the House into confidence? Lastly, I will come back to 3rd March, 1992, when the Reserve Bank Governor made a statement that he would see that the dollar rate would not go above Rs. 35 in the market. I would like to know, when we talk of partial convertibility, whether there is any interference by the Government. That is one part. The second part is that we are hearing that there is going to be a full convertibility. With the partial convertibility there was a certain percentage which used to go to the Government so that the balance of payment was met or whatever the Government imported was met. With the full convertibility coming into existence and which the Government is planning to adopt may

I know from the Minister what means they have devised to make payments for those goods which they have imported, which are essentials like petroleum products and edible oils? These form the major part of the import bill. How is the Government going to meet them? With these words, I support the Bill.

SHRI DINESHBHAI TRIVEDI (Gujarat): Hon. Vice-Chairman, Sir, before I start I would like to inform the hon. Minister as far as the Ordinance itself is concerned, I have very, very serious objections. In the past few months, it seems that the Parliament has been taken for granted. I would like to cite a very famous judgment given by the hon. Supreme Court, that is, *Dr. D. C. Wadhawa* versus *The State of Bihar*, 1986. It is a historical judgment. We are taking the democratic proces for granted and there is a danger if it is not checked right here. This is where I have a serious objection. With your permission I would like to quote—it relates to the power; now, this is referring to the State of Bihar; it is also applicable to the Parliament because the principle of ordinance is the same—"The power conferred on the Governor to issue ordinance—it can be the President also—is in the nature of an emergency power—please undeline the words "emergency power"—which is vested in the Governor (or the President) for taking immediate action which may become necessary at a time when the session is not on". And to meet this contingency it shays about emergency extraordinary. Sir, I would like to know what was so urgent, what was so extraordinary as far as this situation is concerned. Was the country coming to a grinding halt? Was your financial system collapsing? When we talk about major happenings, the scam for that matter, we don't thing that was an emergency. For this little thing we felt that there was an emergency. I would like to know from the hon. Minister what was the emergency. Why could you not have waited for this Session to meet? I am sure things would have continued. I don't think that your financial structure would have collapsed. I vividly remember, the whole thing came about in the Question Hour. I was also in support that we cannot tag this foreign exchange if we really want to control *Hawala*. That was basically the central idea. At that time also they could have suggested that they are going to bring this Bill. There was no suggestion. There was no hint, nothing. I think the privilege of the Parliament and the parliamentarians is in serious jeopardy if we don't take objection to such kind of ordinance. Now I come to the Bill. The genesis of it was devaluation. We were told that devaluation was going to help our exports, going to help our foreign exchange earnings and so on. What is the end-result? If the reports which are circulating in the official and other media are true, this is for the first time in the last seven years, in the last three quarters or rather the last quarter, that exports have really shown a decline in real terms. So, your very purpose is defeated. One of the reasons was to arrest Hawala transactions because between the outside market and whatever officially is available, there should not be a big gap. This was one of the reasons cited. I am in total agreement. I would like to know if this has made a remarkable change as far as Hawala or unofficial transactions in foreign exchange market are concerned. There is another danger, as my friend, Shri Sukomal Sen, has mentioned about the foreign exchange reserves which we have which does not belong to us. It is a liability. On top of it, while we are taking all these measures, the Government has recently declared that a multinational company can give dividents in forcign exchange. I would like to give an example. Suppose a multi-national company brings foreign exchange of Rs. one crore. I don't know much about big money. I will limit it to one crore only. A time will come when they might have repatriated more than Rs. one crore. What are you going to do? This does not belong to you. Earlier there was a clause that before you declare dividends in foreign exchange you must have some

[Dinesh Bhai Trivedi]

kind of foreign exchange earnings. Things of this kind are self-defeating. At the end of the day, God forbid, if we are going to get into a debt trap, which appears very right, we will say that it is a system failure. But who is responsible for this system failure? I am sure somebody is accountable for it. That is why I have a very serious pointer to the hon. Finance Minister. What is your contingency plan? It is all right that I support this Bill. As fas as this Bill is concerned. I support it. But what is your contingency plan? If you are going to give money from your account which is on liability, which is on the minus side, even if you have NRI deposits, you have not earned that foreign exchange. Now you have declared dividends excpting the consumer goods which is also going to come. The next item on the agenda is full convertibility of rupee on trade account. My question is very simple. What is your contingency plan, so that after two years or three years or after a period of time we don't want to hear "Sorry, this is a system failure" Who is accountable for that system? What are you doing about it. Would the Government reconsider the proposal as far as sending dividends in foreign exchange is concerned? At least why don't you do one thing? Why don't you say, "All right to the extent of foreign exchange you have brought; after that there has to be foreign exchange earning for you to repatriate your dividend." Sir, I do not know. The entire atmosphere in the country is one of lack of confidence. People really do not know which direction we are heading for. which direction we want to go. Ordinances are brought like that. You know Bihar. In Bihar, there have been structures issued by the Supreme Court. Hundreds of ordinances have been brought out without any check. Are we going to set an example to Bihar or are we going to follow Bihar? This is really a very pointed question and I hope the Minister will dwell upon the Ordinance itself. I would like the Minister to pay very very serious attention as far as Ordinances are concerned. Please do not take it so lightly. Foreign Exchange reserve does not belong to us. It is a liability. Your exports are going down. About imports, you want to say that the economy is staggering, it is in recession and so you want to open the doors to imports. Full convertibility of rupee is there. Hon. Prime Minister had made a mention by way of an example in the Independence Day speech that if Rs. 5000 crores are spent in schooling and all that—I am all for it—then this Rs. 5000 crores which we would have otherwise spent on some kind of industry would have been safe. But one moot point is that it is only to the extent of 15 per cent of capital which is put in by the promoter. Eighty-Five per cent of it comes from the financial institutions. Again it is an indirect way of Government paying indirectly through the financial institutions. My last submisison is that when we are going through such financial crisis — if I may put it like that as far as foreign exchange and other things are concerned—when your stock market has totally dwindled—the reason I refer to stock market etc., is because Government had a plan to augment about Rs. 50,000 crores from the stock market so that the money they would have otherwise spent would have been safe—what is your contingency plan as far as this is concerned? Thank you.

श्री सत्य प्रकाश मालवीय : (उत्तर प्रदेश) : माननीय उपसभाध्यक्ष जी, कोई अच्छा काम यदि किया जाये खराब रास्ते से तो उस अच्छे काम के पीछे जो उद्देश्य है उस पर भी शक होता है। हमारे संविधान में कानून बनाने की दो प्रक्रियाएं है। एक तो जो विधेयक है वह संसद के सामने लाया जाएगा और पारित कराया जाएगा और उसके बाद राष्ट्रपति महोदय उसमें स्वीकृति देंगे। अगर ऐसा कानून है संविधान संशोधन करने का तो उसमें कभी-कभी राज्यों के पास भी जाता है कि आधे से ज्यादा राज्य उसमें अपना रैटीफिकेशन दें, स्वीकृति दें। दूसरा, संविधान में एक अनुच्छेद 123 है। उसमें इस बात का प्रावधान है कि कुछ विशेष परिस्थितियों में जिसको कि सरकार

को बताना पड़ेगा, अध्यादेश के जरिये कानून लाया जा सकता है। यह वर्तमान जो अध्यादेश है, 29 मई 1992 को लाया गया और संसद का सत्र चला था 14 मई, 1992 तक। मैं यह जानना चाहता हूं कि 14 मई, 1992 से लेकर 29 मई, 1992 के बीच में कौन से ऐसे कारण उत्पन्न हो गये, ऐसी परिस्थितियां विद्यमान हो गयीं जिनके कारण आपको अध्यादेश लाना पड़ा ? जो कुछ भी मैंने उसमें जानने की कोशिश की, कम से कम मुझे तो ऐसा कोई कारण दिखलाई नहीं पड़ता है। 14 मई के अंदर आप विधेयक ला करके यह कानून बना सकते थे। तो यह तो सरकार की प्रवृत्ति है, मनोवृत्ति है अध्यादेश के जरिये कानून बनाने की, इसकी मैं आलोचना करता हूं और निंदा करता हूं तथा यह आशा करता हूं कि भविष्य में कम से कम कानून अध्यादेश के जरिए बनाये जाएंगे। दूसरे मेरी अपनी राय यह है कि जो वित्त विधेयक, 1987 था जिसकी धारा 5 के अनुसार यह विधेयक लाया गया था जिसको कि आज लोप करने का विधेयक लाया गया है। वास्तविक गलती तो वही हुई सन् 1987 में भी यह टैक्स लगाने की कोई आवश्यकता नहीं थी और उस समय जो अधिनियम लाया गया, विधेयक लाया गया, उसके उद्देश्यों और कारणों में दो बातें बताई गई थीं। एक तो जो विदेश यात्रा है इसको निरुत्साहित करना और दूसरे जो विदेशी मुद्रा है, इसको बचाना। विदेश यात्रा के संबंध में तो, हम लोगों के नेता डा० राम मनोहर लोहिया थे और वह यूनिवर्सल ब्रदरहुड, विश्व बंधुत्व के समर्थक थे, वह तो यहां तक कहते थे कि विदेश भ्रमण करने के लिए एक देश से दूसरे देश में जाने के लिए न कोई पासपोर्ट की आवश्यकता होनी चाहिए, न वीसा की आवश्यकता होनी चाहिए, तो 1987 में जिस वक्त सरकार ने यह सोचा कि विदेश भ्रमण पर, विदेश यात्रा पर रोक लगाए जाए, मूल गलती वहीं पर थी। लेकिन जब कोई सरकार अपनी गलती को सुधार ले तो उसके इस गलती को सुधारने के काम का मैं समर्थन करता हूं और इसलिए जो वर्तमान विधेयक है इसका भी मैं समर्थन करता हूं।

मंत्री जी ने अपने भाषण में यह कहा है कि इस टैक्स को खत्म करने के लिए, इस टैक्स को समाप्त करने के लिए सरकार के पास बहुत से प्रतिवेदन भी मिले हैं, तो मैं यह भी जानना चाहता हूं कि बहुत से ऐसे टैक्स हैं जिनको घटाने के जिनको समाप्त करने के लिए सरकार के पास प्रतिवेदन बराबर आते रहते हैं। जैसे मैं केवल एक उदाहरण लेना चाहता हूं आयकर का, इन्कम टैक्स का। मुझे याद नहीं है, मंत्री जी, इस समय इन्कम टैक्स 28 हजार के ऊपर लगता है ... (**व्यवधान**) 28 हजार से ऊपर जिनकी आय हो उनके ऊपर इन्कम टैक्स लगता है। लेकिन बराबर संसद् में और संसद् के बाहर भी और देश में नागरिकों ने, लोगों ने और राजनीतिक दलों ने बराबर इस मांग को रखा है कि महंगाई को देखते हुए और रुपए का जो अवमूल्यन हुआ उसको देखते हुए और जिन चीजों के मूल्यों में निरंतर वृद्धि हो रही है उसको देखते हुए आय कर की जो सीमा है वह 28 हजार से बढ़ा करके कम से कम 40 हजार कर देनी चाहिए। कुछ जगह तो 50 हजार रुपए तक की मांग की गई है। मैं मंत्री जी को याद दिलाना चाहता हूं कि आखिर कौन से ऐसे कारण थे कि इस वर्तमान विधेयक के संबंध में जो 15 प्रतिशत टैक्स को आप समाप्त कर रहे हैं इस प्रतिवेदन को तो आपने स्वीकार कर लिया जिसको लगाने में भी आपने गलती की थी, लेकिन आय कर के संबंध में जो बराबर मांग उठी है इसके संबंध में अब सरकार का क्या रूख है और आप जो 28 हजार रुपए की आय कर की सीमा है इसमें वृद्धि करने जा रहे हैं या नहीं करने जा रहे हैं ? मेरा आपसे नम्र निवेदन है कि इस बीच में फिर चीजों की कीमतों में वृद्धि हुई है और रुपए का अवमूल्यन उसके बाद में हुआ है इसलिए कम से कम आप इस पर पुनर्विचार करें। आप तो वित्त मंत्री हैं अगर आप इस संबंध में आज ही घोषणा कर दें तो इसका स्वागत किया जाएगा और आपके जरिए देशवासियों को बहुत अच्छा गिफ्ट मिलने की मैं आशा करता हूं।

तीसरी, मैं केवल एक बात और जानना चाहता हूं कि 1987 से ले

[श्री सत्य प्रकाश मालवीय]

करके और 1992 के बीच में बहुत से लोगों ने 15 प्रतिशत आपको टैक्स दिया होगा जो कि विदेश गए होंगे, तो क्या उस टैक्स को, जो लोग विदेश गए उनको आप, वापस करने का काम करेंगे ? क्योंकि आखिर राहत उनको मिलनी चाहिए, असमानता नहीं होनी चाहिए । इसलिए मेरी यह भी मांग है कि जो लोग टैक्स दे चुके हैं उनको भी आप वापस करने की कृपा करें ।

इन शब्दों के साथ, अध्यादेश के जरिए कानून बनाने की मैं निन्दा करता हूं, आलोचना करता हूं, लेकिन इस विधेयक के प्रावधानों का मैं समर्थन करता हूं ।

SHRI RAMESHWAR THAKUR: I am really thankful to the hon. Members who, from all sections of the House, have been kind enough to appreciate the provisions of the Bill and have given their virtual support to it. A point has been raised as to why an Ordinance was brought and why this was not brought in the form of a Bill in the normal course. Hon. Members would recall that it is a fact that most of the legislations we bring before two Houses in the normal course are in the form of a Bill. But there are occasions when it is considered necessary in the economic and public interest to pass a legislation immediately. When Parliament is not in session, we have to go ahead by means of an ordinance to get the desired results on time. Some of the hon. Members have rightly pointed out that during the last session of Parliament, during Question Hour, hon. Members belonging to various parties unanimously sought that this foreign travel tax of fifteen per cent should be abolished forthwith. Even the hon. Chair was kind enough to ask as to the thinking of the Government and at that time I mentioned to this hon. House that this would receive very active consideration of the Government. Keeping in view all these sentiments of the Members of the House, it was considered necessary to abolish this tax immediately and not to wait till the next session of Parliament. Accordingly, on the 29th of May, 1992, when Parliament was not in session, this Ordinance was brought and relief was given from the 1st of June, 1992. So far as the contents of the Bill are concerned, hon. Members are good enough to appreciate... (*interruptions*)... Mr. Trivedi, I am going to answer you. I have heard the ruling of the Supreme Court in the Bihar instance and in so many other aspects and I am coming to them.

From our experience of Parliament working, there are two kinds of Bills we bring. One is the kind of emergency, as mentioned by the hon. Member and naturally if there is such an emergency, an Ordinance has to come. But there are other occasions also particularly when we consider it necessary in the public interest and keeping in view the wishes of the House, then instead of waiting till the next session of Parliament, we bring a wholesome provision through an Ordinance to abolish an Act which had the virtual prior consent of the House because they desired that this tax should be abolished forthwith. It was not feasible to give an answer immediately in the House that this is being done. But I had made it absolutely clear at the end of the discussion in my reply that the Government would give active consideration and necessary action would be taken as early as possible. And with due deference to this assurance and also consideraing the need of the hour, to give relief to the public travelling abroad, this has been done.

So far as the contents of the Bill, the appreciation and the method of the Bill are concerned, sometimes we should not be rigid about these. We should actually see the common interest and in this case the interest and the balance of convenience between the two was to bring it immediately in the larger interests of the people.

A question has also come. Dr. Sivaji mentioned about the lack of coordination between the Commerce and the Finance Ministries. Let me mention that we have got a perfect coordination between the Ministries working in the economic field and the other Ministries. But what happens on certain issues is that the matter emanates from the com-

merce Ministry and it comes to us. The approach or the time-frame may be different. Nevertheless, such matters, you see, are very actively being co-ordinated with the Ministries. However, the honourable Member's suggestion is well taken.

So far as exports are concerned, the honourable Member has also mentioned about our export relations with the former USSR, particularly the SR, in matters of tobacco and other things. This is as per the policy thrust of the Ministry of Commerce and it is also given support by the Ministry of Finance. The Finance Ministry gives support to all exports. We have got the top priority for exports in our Ministry and we try to give all kinds of incentives and support and therefore, there will be no problem in that area.

There was a suggestion from Mr. Sen and, later on, a suggestion also from Mr. Ambedkar with regard to giving foreign exchange to students, for medical treatment and for other journeys like pilgrimate, etc. I would like to mention—the honourable Members would like to know what the position is—that, at the moment, for all the journeys abroad, foreign exchange is available at the market rate. But one honourable Member asked whether, when on returning from abroad a person brings and surrenders a certain percentage, it is encashed at the official rate or at the market rate. It has been clarified by the Reserve Bank of India. Now, any foreign exchange saving brought in by anyone would be encashed at the market price and not at the official price.

In regard to the changes in the FERA, I would like to mention that this matter is under the active consideration of the Government and the various aspects have been considered. It would be only premature for me to mention them in the House now. But the suggestions made by the honourable Members and various other interests have been taken into consideration and the Bill is likely to be presented to Parliament as early as possible.

Now, various other suggestions have been made. One is with regard to the devaluation of the rupee and the debt trap, as mentioned by Mr. Trivedi, and also about the full convertibility. There was also another suggestion for stopping dividends from being paid to foreign companies in foreign currencies. Now, all these matters, you see, are part of the economic reform policy which has been evolved after careful consideration and it is too early to judge whether it will create the impact of the kind of debt trap that he has in mind. We do not have such apprehensions now. As regards full convertibility, I would like to mention that there is no financial crisis as such, as apprehended by an honourable Member. The financial crisis was there at one time when the Government assumed office. We had the real problem of foreign payments and our foreign exchange reserves had dwindled down to Rs. 2,300 crores. At that time, there was a crisis and the situation was such that we had hardly ten or fifteen days' foreign exchange. Now, after various efforts were made, after the economic reform policy was announced, including devaluation, including our export policies, including fiscal policies, things improved and you will be happy to learn that the total accretion to our foreign exchange reserves has been very considerable during the last six months. It has been ranging from Rs. 15,000 crores to Rs. 17,000 crores. There is no crisis as such, and that is why we have liberalised the imports so that the industrial growth in the country could pick up well. And I am happy to learn that the industrial growth during the last two months, and particularly the exports are coming up very well.

So far as the other aspects are concerned, inflation was mentioned by one hon. Member. It should be appreciated that it takes time. But, from 16.7 per cent. it has nowcome to one-digit, as one hon. Member mentioned, to 9.3 per cent. The latest figure is 9.1 per cent now. This is a remarkable achievement. And, as the hon. Finance Minister has said, we are hoping that in course of time it will come further down, towards which all good signs are there.

[Shri Rameshwar Thakur]

Then, Sir, the question is of revenue collection because the economic aspect has been touched upon by many hon. Members Sir, in spite of a lot of pressure on the economy, on the industrial growth and the growth of exports, we were in the last year able to increase our revenue collection, as compared to 1990-91, from about Rs. 55,000 crores to Rs. 65,000 crores. In actual terms, the increase was Rs. 9,465 crores. So, there has been an increase. Shri Malaviyaji and some other Members have rightly pointed out whether we could raise this limit of Rs. 28,000. Now, I want to mention that this was raised from Rs. 22,000 to Rs. 28,000 only during the last Budget, and thereby we have lost about 8 lakh assessees. Now, we are watching the situation. Not only we have raised this,, but we have also reduced the rate from 50 per cent to 40 per cent. This has been a great relief to the tax-payers. I am happy to inform you, Sir, that in spite of substantial reduction not only in direct taxes but also in indirect taxes—from 150 per cent to 110 per cent in customs and excise, and from 80 per cent to 55 per cent in capital goods—we find that on the whole, during the first quarter of the year, our revenue receipts are much encouraging as compared to last year. Therefore, on that account also, we have got a good response.

Sir, the last point that I would like to mention is in regard to gold. Some mention was made about smuggling. Sir, last year, we had a problem 'And under compulsions, we had to send abroad 67 tonnes of gold, we had to mortgage gold because of the commitment of the previous Government. But, now, you will be happy to learn, Sir, that not only we have been able to bring back the gold by paying the entire amount of Rs. 1600 crores, but in the current year, with the new policy of gold, beginning from March and April, we started getting gold—6 Kgs. in March and about 128 Kgs. in April. And by the beginning of August, I am happy to say, that we have been able to achieve our target of 35 tonnes of gold for the year 1992-93. And we have also been able to exceed our target of collecting the duty. The target for 1992-93 for collecting the duty was Rs. 70 crores. And we have been able to collect by the 7th of August Rs. 78 crores. So, there has been a positive response in various areas. This is showing good results. We have got very good foreign investment It is increasing.

Therefore, Sir, I would like to plead with the House that there is no anviety. Economic Changes take time for growth and development. Our new economic policy, the reform policies are giving a pasitive response. And I am sure that with the co-operation of all the Members, we will be able to get better results in the coming months, in the remaining part of the current year.

With these words, I commend that this Bill may kindly be passed.

THE VICE-CHAIRMAN (SHRI M. A. BABY): The question is:

> That the Bill further to amend the Finance Act, 1987 as passed by the Lok Sabha, be taken into consideration.

The motion was adopted.

THE VICE-CHAIRMAN (SHRI M. A. BABY): We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 were added to the Bill, Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI RAMESHWAR THAKUR: I move:

> That the Bill be returned.

The question was proposed

SHRI SATYA PRAKASH MALAVIYA: Since 1987 till 1992, the Government has been realising tax at the rate of 15 per cent from persons who have been going abroad. I want to know whether the Government would take a decision to return the amount so realised.

SHRI RAMESHWAR THAKUR: When the enactment was introduced in 1987, the idea was to tax those people and accordingly we collected the tax and we received a modest amount of

Rs. 50 to Rs. 80 crores during these years. It was not a very big amount and the people willingly paid this tax. Now it will be extremely difficult to locate such people who travelled during that period in order to refund the tax collected. It will be an impossibility. Then nobody has approached the department nor is it the intention of the Government to refund the amount of tax levied under the law which was passed by this hon. House and the other House. That is why we wanted to give relief and we have brought this Bill. From the 1st of June there is no tax levied.

SHRI DINESHBHAI TRIVEDI: Today what is happening is, anybody producing a letterhead and saying that he is going out for export promotion, is given foreign exchange by the dealer without any questions being asked. He is not even required to submit a report to the Reserve Bank as in the past. Don't you feel that a situation will come when our foreign exchange will be drained away by the people utilising our foreign exchange in this manner?

SHRI RAMESHWAR THAKUR: I must remove completely the doubts in the minds of the hon. Members. The situation is not so gloomy. People are very responsible. The other hon. Member, Dr. Sivaji said that we should promote exports and in this process if we are slightly liberal to those who go abroad for the genuine purpose of promoting exports to earn more foreign exchange, I think this is in the interest of our economy. There is nodoubt or apprehension in our mind that by this process we will exhaust all the foreign exchange. In fact, export promotion effort is to earn more and more of foreign exchange. Therefore, there should be no apprehension about it. Those who go abroad for this purpose are responsible people, and these things are looked after by the Reserve Bank.

THE VICE-CHAIRMAN (SHRI M. A. BABY): The question is:

That the Bill be returned.

The motion was adopted.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Now we shall take up special mentions. But before that, I want the permission of the House to nominate Shri Satya Prakash Malaviya to take the Chair and conduct the proceedings of the House as no other Vice-Chairman on the panel is available.

[SHRI SATYA PRAKASH MALAVIYA in the Chair.]

SPECIAL MENTIONS

THE VICE-CHAIRMAN (SHRI SATYA PRAKASH MALAVIYA): Shri Satyanarayana Dronamraju, not here. Shrimati Mira Das, not here. Shrimati Renuka Chowdhury.

Working of the Indian Railway Construction Company Limited and misuse of funds therein

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): I wish to thank you for permitting me to raise this very important issue concerning the Indian Railway Construction Company, a public sector undertaking under the Ministry of Railways. Sir, this is regarding the siphoning off of public funds in crores of rupees, and blatant violation of all Government rules and regulations.

More than 125 Members of Parliament have, in a representation to the Railway Minister, demanded a CBI enquiry into the working of this organisation. All relevant documents were also enclosed. However, nothing has happened.

'IRCON, with a view to supplying ballast to Northern Railway, had taken crores of rupees as advance form Northern Railway, but till date has failed to honour its commitment towards Northern Railway. It is not simply a case of failure on the part of IRCON itself. A contractor, who was selected by the Managing Director of IRCON for personal reasons, was advanced Rs. 25 lakhs for the purpose of land, which was, in turn, leased back—the land was leased back—to IRCON at the rate of Rs. 60,000 per month. Another sum of Rs. 20 lakhs